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AMENDED IN SENATE JUNE 26, 2003
AMENDED IN SENATE JUNE 2, 2003
AMENDED IN ASSEMBLY MAY 12, 2003
AMENDED IN ASSEMBLY APRIL 24, 2003
AMENDED IN ASSEMBLY APRIL 8, 2003
AMENDED IN ASSEMBLY MARCH 17, 2003

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

ASSEMBLY BILL

No. 212

Introduced by Assembly Member Maze
(Coauthors: Assembly Members Canciamilla, Corbett, Correa,
Daucher, Dymally, Frommer, Goldberg, Lieber, Maldonado,
Montanez, Negrete McLeod, Parra, Pavley, Reyes, Samuelian,
Vargas, and Yee)

January 29, 2003

An act to amend Sections 22134.5, 22714, 24203.5, 24203.6, 24209, 24209.3, 24211, 24212, 24213, 24216, 44929, and 87488 of, and to add and repeal Sections 22714.5, 44929.1, and 87488.1 of, the Education Code, relating to state teachers' retirement, ~~and declaring the urgency thereof, to take effect immediately.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 212, as amended, Maze. State teachers' retirement: retirement incentive.

Existing law authorized a member of the Defined Benefit Program of the State Teachers' Retirement Plan to receive an additional 2 years of service credit if the member's employer took a specified formal action, prior to January 1, 1999, encouraging its employees to retire; the member retired within the period designated in that formal action; and other conditions existed.

This bill would, ~~4 months~~ *on January 1, 2004, or 120 days* after the bill is ~~enacted~~ *chaptered, whichever is later*, authorize those members to receive credit for an additional 2 years of service if the member's employer takes a specified formal action, or, upon the making of a specified certification by their employer and pursuant to the terms of a memorandum of understanding or a specified formal action, to receive credit for an additional 4 years of service if those members retire within a designated period, prior to May 16, 2007, and other conditions are met.

~~The bill would declare that it is to take effect immediately as an urgency statute.~~

Vote: ²/₃ majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 22134.5 of the Education Code is
- 2 amended to read:
- 3 22134.5. (a) Notwithstanding Section 22134, "final
- 4 compensation" means the highest average annual compensation
- 5 earnable by a member during any period of 12 consecutive months
- 6 while an active member of the Defined Benefit Program or time
- 7 during which he or she was not a member but for which the
- 8 member has received credit under the Defined Benefit Program,
- 9 except time that was so credited for service performed outside this
- 10 state prior to July 1, 1944. The last consecutive 12-month period
- 11 of employment shall be used by the system in determining final
- 12 compensation unless designated to the contrary in writing by the
- 13 member.
- 14 (b) For purposes of this section, periods of service separated by
- 15 breaks in service may be aggregated to constitute a period of 12
- 16 consecutive months, if the periods of service are consecutive
- 17 except for the breaks.



1 (c) The determination of final compensation of a member who
2 has concurrent membership in another retirement system pursuant
3 to Section 22115.2 shall take into consideration the compensation
4 earnable while a member of the other system, provided that all of
5 the following exist:

6 (1) The member was in state service or in the employment of
7 a local school district or a county superintendent of schools.

8 (2) Service under the other system was not performed
9 concurrently with service under the Defined Benefit Program.

10 (3) Retirement under the Defined Benefit Program is
11 concurrent with the member's retirement under the other system.

12 (d) The compensation earnable for the first position in which
13 California service was credited shall be used when additional
14 compensation earnable is required to accumulate three
15 consecutive years for the purpose of determining final
16 compensation under Section 23805.

17 (e) If a member has received service credit for part-time service
18 performed prior to July 1, 1956, the member's final compensation
19 shall be adjusted for that service in excess of one year by the ratio
20 that part-time service bears to full-time service.

21 (f) The board may specify a different final compensation with
22 respect to disability allowances, disability retirement allowances,
23 family allowances, and children's portions of survivor benefit
24 allowances payable on and after January 1, 1978. The
25 compensation earnable for periods of part-time service shall be
26 adjusted by the ratio that part-time service bears to full-time
27 service.

28 (g) This section shall only apply to a member who has 25 or
29 more years of credited service, excluding service credited pursuant
30 to Section 22714, 22714.5, 22715, 22717, or 22826, but including
31 any credited service that a court has ordered be awarded to a
32 nonmember spouse pursuant to Section 22652. This section also
33 shall apply to a nonmember spouse, if the member had at least 25
34 years of credited service, excluding service credited pursuant to
35 Section 22714, 22714.5, 22715, 22717, or 22826, on the date the
36 parties separated, as established in the judgment or court order
37 pursuant to Section 22652.

38 SEC. 2. Section 22714 of the Education Code is amended to
39 read:

1 22714. (a) Whenever the governing board of a school district
2 or a community college district or a county office of education, by
3 formal action, determines pursuant to Section 44929 or 87488 that
4 because of impending curtailment of or changes in the manner of
5 performing services, the best interests of the district or county
6 office of education would be served by encouraging certificated
7 employees or academic employees to retire for service and that the
8 retirement will result in a net savings to the district or county office
9 of education, an additional two years of service credit shall be
10 granted under this part to a member of the Defined Benefit
11 Program if all of the following conditions exist:

12 (1) The member is credited with five or more years of service
13 credit and retires for service under the provisions of Chapter 27
14 (commencing with Section 24201) during a period of not more
15 than 120 days or less than 60 days, commencing no sooner than the
16 effective date of the formal action of the employer that shall
17 specify the period.

18 (2) The employer transfers to the retirement fund an amount
19 determined by the Teachers' Retirement Board to equal the
20 actuarial equivalent of the difference between the allowance the
21 member receives after receipt of service credit pursuant to this
22 section and the amount the member would have received without
23 the service credit and an amount determined by the Teachers'
24 Retirement Board to equal the actuarial equivalent of the
25 difference between the purchasing power protection supplemental
26 payment the member receives after receipt of service credit
27 pursuant to this section and the amount the member would have
28 received without the service credit. The payment for purchasing
29 power shall be deposited in the Supplemental Benefit Maintenance
30 Account established by Section 22400 and shall be subject to
31 Section 24415. The transfer to the retirement fund shall be made
32 in a manner, and time period not to exceed four years, that is
33 acceptable to the Teachers' Retirement Board. The employer shall
34 transfer the required amount for all eligible employees who retire
35 pursuant to this section.

36 (3) The employer transmits to the retirement fund the
37 administrative costs incurred by the system in implementing this
38 section, as determined by the Teachers' Retirement Board.



1 (4) The employer has considered the availability of teachers or
2 academic employees to fill the positions that would be vacated
3 pursuant to this section.

4 (b) (1) The school district shall demonstrate and certify to the
5 county superintendent that the formal action taken would result in
6 a net savings to the district.

7 (2) The county superintendent shall certify to the Teachers'
8 Retirement Board that a result specified in paragraph (1) can be
9 demonstrated. The certification shall include, but not be limited to,
10 the information specified in subdivision (b) of Section 14502.

11 (3) The school district shall reimburse the county
12 superintendent for all costs to the county superintendent that result
13 from the certification.

14 (c) (1) The county office of education shall demonstrate and
15 certify to the Superintendent of Public Instruction that the formal
16 action taken would result in a net savings to the county office of
17 education.

18 (2) The Superintendent of Public Instruction shall certify to the
19 Teachers' Retirement Board that a result specified in paragraph (1)
20 can be demonstrated. The certification shall include, but not be
21 limited to, the information specified in subdivision (b) of Section
22 14502.

23 (3) The Superintendent of Public Instruction may request
24 reimbursement from the county office of education for all
25 administrative costs that result from the certification.

26 (d) (1) The community college district shall demonstrate and
27 certify to the chancellor's office that the formal action taken would
28 result in a net savings to the district.

29 (2) The chancellor shall certify to the Teachers' Retirement
30 Board that a result specified in paragraph (1) can be demonstrated.
31 The certification shall include, but not be limited to, the
32 information specified in subdivision (c) of Section 84040.5.

33 (3) The chancellor may request reimbursement from the
34 community college for all administrative costs that result from the
35 certification.

36 (e) The opportunity to be granted service credit pursuant to this
37 section shall be available to all members employed by the school
38 district, community college district, or county office of education
39 who meet the conditions set forth in this section.

40 (f) The amount of service credit shall be two years.

(g) Any member of the Defined Benefit Program who retires under this part for service under the provisions of Chapter 27 (commencing with Section 24201) with service credit granted under this section and who subsequently reinstates shall forfeit the service credit granted under this section.

(h) Any member of the Defined Benefit Program who retires under this part for service under Chapter 27 (commencing with Section 24201) with service credit granted under this section and who works for more than 60 days in a school year in any job with any school district in the state after receiving the credit shall forfeit the ongoing benefit he or she receives from the additional service credit granted under this section.

(i) This section shall not be applicable to any member otherwise eligible if the member receives any unemployment insurance payments arising out of employment with an employer subject to this part during a period extending one year beyond the effective date of the formal action, or if the member is not otherwise eligible to retire for service.

SEC. 3. Section 22714.5 is added to the Education Code, to read:

22714.5. (a) Subject to the limitation of subdivision (b), an additional four years of service shall be credited under this part to a member of the Defined Benefit Program if the following conditions exist:

(1) The member is credited with five or more years of service credit and retires for service under the provisions of Chapter 27 (commencing with Section 24201) within the period designated by the employer in the memorandum of understanding or formal action described in paragraph (3).

(2) The employer transfers to the retirement fund an amount determined by the Teachers' Retirement Board to equal the actuarial equivalent of the difference between the allowance the member receives after receipt of the credit for additional service pursuant to this section and the amount the member would have received without the additional credit and an amount determined by the Teachers' Retirement Board to equal the actuarial equivalent of the difference between the purchasing power protection supplemental payment the member receives after receipt of the credit for additional service pursuant to this section and the amount the member would have received without the

1 additional credit. The payment for purchasing power shall be
2 deposited in the Supplemental Benefit Maintenance Account
3 established by Section 22400 and shall be subject to Section
4 24415. The transfer to the retirement fund may be made in
5 installments commencing 12 months after the date of the
6 memorandum of understanding or formal action described in
7 paragraph (3) in a manner and time period, not to exceed 8 years,
8 acceptable to the Teachers' Retirement Board. The employer shall
9 transfer the required amount for all eligible employees who retire
10 pursuant to this section.

11 (3) This section has been made applicable to the employer and
12 the member pursuant to a memorandum of understanding between
13 the employer and the representative employee organization or, for
14 members who are not represented by a representative employee
15 organization, this section has been made applicable to all of the
16 members employed by the school district, community college
17 district, or county office of education, pursuant to a formal action
18 of the governing board.

19 (4) The employer transmits to the retirement fund the
20 administrative costs incurred by the system in implementing this
21 section, as determined by the Teachers' Retirement Board.

22 (5) The school district has certified to the county
23 superintendent, the county office of education has certified to the
24 Superintendent of Public Instruction, or the community college
25 district has certified to the chancellor's office that application of
26 this section will result in a net savings to the school district, county
27 office of education, or community college district.

28 (b) The amount of additional service credit shall be four years
29 regardless of credited service or age. A member of a Defined
30 Benefit Program who is credited with additional age and service
31 under this section may not be credited with additional service
32 under Section 22714.

33 (c) Any member of the Defined Benefit Program who is
34 credited with additional service under this section and who
35 subsequently reinstates from retirement shall forfeit the additional
36 credit granted under this section.

37 (d) Any member of the Defined Benefit Program who is
38 credited with additional service under this section and who works
39 for more than 60 days in a school year in any job with any school
40 district in the state after receiving the credit shall forfeit the

1 ongoing benefit he or she receives from the additional service
2 credit granted under this section.

3 (e) This section is not applicable to any member otherwise
4 eligible if the member receives any unemployment insurance
5 payments arising out of employment with an employer subject to
6 this part during a period extending one year beyond the effective
7 date of the memorandum of understanding, or if the member is not
8 otherwise eligible to retire for service without the additional
9 service credit available under this section.

10 (f) This section shall become inoperative on May 16, 2007,
11 and, as of January 1, 2008, is repealed, unless a later enacted
12 statute, that becomes operative on or before January 1, 2008,
13 deletes or extends the dates on which it becomes inoperative and
14 is repealed.

15 SEC. 4. Section 24203.5 of the Education Code is amended
16 to read:

17 24203.5. (a) The percentage of final compensation used to
18 compute the allowance pursuant to Section 24202.5, 24203, or
19 24205 of a member retiring on or after January 1, 1999, who has
20 30 or more years of credited service, excluding service credited
21 pursuant to Sections 22714, 22714.5, 22715, 22717, and 22717.5,
22 shall be increased by two-tenths of 1 percentage point, provided
23 that the sum of the percentage of final compensation used to
24 compute the allowance in Section 24202.5, 24203, or 24205,
25 including any adjustments for retiring before the normal
26 retirement age, and the additional percentage provided by this
27 section does not exceed 2.40 percent. For purposes of establishing
28 eligibility for the increased allowance pursuant to this section only,
29 credited service shall include credited service that a court has
30 ordered be awarded to a nonmember spouse pursuant to Section
31 22652. A nonmember spouse shall also be eligible for the
32 increased allowance pursuant to this section if the member had 30
33 or more years of credited service on the date the parties separated,
34 as established in the judgment or court order pursuant to Section
35 22652.

36 (b) Nonqualified service credit for which contributions
37 pursuant to Section 22826 were made in a lump sum on or after
38 January 1, 2000, or for which the first installment was made on or
39 after January 1, 2000, shall not be included in determining the
40 eligibility for an increased allowance pursuant to this section.



(c) The amendments made to subdivision (a) in the first year of the 1999–2000 Regular Session are declaratory of existing law.

SEC. 5. Section 24203.6 of the Education Code is amended to read:

24203.6. (a) In addition to the amount otherwise payable pursuant to Sections 24202.5, 24203, 24203.5, 24205, 24209.5, 24210, 24211, and 24212, a member who (1) retires for service on or after January 1, 2001, (2) has, prior to January 1, 2011, 30 or more years of credited service, excluding service credited pursuant to Sections 22714, 22714.5, 22715, 22717, 22717.5, and 22826 but including any credited service that a court has ordered be awarded to a nonmember spouse pursuant to Section 22652, and (3) is receiving an allowance subject to Section 24203.5, shall receive a monthly increase in the allowance, prior to any modification pursuant to Sections 24300 and 24309, in the amount identified in the following schedule for the number of years of the member’s credited service at the time of retirement, excluding service credited pursuant to Sections 22714, 22715, 22717, 22717.5, and 22826 but including any credited service that a court has ordered be awarded to a nonmember spouse pursuant to Section 22652:

30 years of credited service	\$200
31 years of credited service	\$300
32 or more years of credited service	\$400

(b) This section also shall apply to a nonmember spouse, if the member is eligible for the allowance increase pursuant to subdivision (a) upon his or her retirement for service and had at least 30 years of credited service, excluding service credited pursuant to Sections 22714, 22714.5, 22715, 22717, 22717.5, and 22826, on the date the parties separated, as established in the judgment or court order pursuant to Section 22652 and the service credit of the member was divided into separate accounts in the name of the member and the nonmember spouse by a court pursuant to Section 22652. The amount identified in the schedule in subdivision (a) and payable pursuant to this section, that is based on the service credited during the marriage, shall be divided and paid to the member and the nonmember spouse proportionately according to the respective percentages of the member’s service



1 credit that were allocated to the member and the nonmember
2 spouse in the court's order.

3 (c) The allowance increase provided under this section shall
4 not be subject to Sections 24415 and 24417, but shall be subject
5 to Section 22140.

6 SEC. 6. Section 24209 of the Education Code is amended to
7 read:

8 24209. (a) Upon retirement for service following
9 reinstatement, the member shall receive a service retirement
10 allowance equal to the sum of both of the following:

11 (1) An amount equal to the monthly allowance the member was
12 receiving immediately preceding reinstatement, exclusive of any
13 amounts payable pursuant to Section 22714, 22714.5, or 22715,
14 increased by the improvement factor that would have been applied
15 to the allowance if the member had not reinstated.

16 (2) An amount calculated pursuant to Section 24202, 24202.5,
17 24203, 24203.5, or 24206 on service credited subsequent to the
18 most recent reinstatement, the member's age at retirement, and
19 final compensation.

20 (b) If the total amount of credited service, other than that
21 accrued pursuant to Sections 22714, 22714.5, 22715, 22717,
22 22717.5, and 22826, is equal to or greater than 30 years, the
23 amounts identified in paragraphs (1), for members who initially
24 retired on or after January 1, 1999, and (2) of subdivision (a) shall
25 be calculated pursuant to Section 24203.5.

26 (c) If the total amount of credited service, other than that
27 accrued pursuant to Sections 22714, 22714.5, 22715, 22717,
28 22717.5, and 22826, is equal to or greater than 30 years, upon
29 retirement for service following reinstatement, a member who
30 retired pursuant to Section 24213, and received the terminated
31 disability allowance for the prior retirement, shall receive a service
32 retirement allowance equal to the sum of the following:

33 (1) An amount based on the service credit accrued prior to the
34 effective date of the disability allowance, the member's age at the
35 prior retirement increased by the factor provided in Section
36 24203.5, and projected final compensation.

37 (2) An amount calculated pursuant to Section 24202, 24202.5,
38 24203.5, or 24206 on service credited subsequent to the
39 reinstatement, the member's age at retirement, and final
40 compensation.

SEC. 7. Section 24209.3 of the Education Code is amended to read:

24209.3. (a) Notwithstanding subdivision (a) of Section 24209 and subdivision (d) of Section 24204, and exclusive of any amounts payable during the prior retirement for service pursuant to Section 22714, 22714.5, or 22715:

(1) A member who retired, other than pursuant to Section 24210, 24211, 24212, or 24213, and who reinstates and performs creditable service, as defined in Section 22119.5, after the most recent reinstatement, in an amount equal to two or more years of credited service, shall, upon retirement for service on or after the effective date of this section, receive a service retirement allowance equal to the sum of the following:

(A) An amount calculated pursuant to this chapter based on credited service performed prior to the most recent reinstatement, using the member's age at the subsequent service retirement, from which age shall be deducted the total time during which the member was retired for service, and final compensation.

(B) An amount calculated pursuant to this chapter based on credited service performed subsequent to the most recent reinstatement, using the member's age at the subsequent service retirement, and final compensation.

(2) A member who retired pursuant to Section 24210 and who reinstates and performs creditable service, as defined in Section 22119.5, after the most recent reinstatement, in an amount equal to two or more years of credited service, shall, upon retirement for service on or after the effective date of this section, receive a service retirement allowance equal to the sum of the following:

(A) An amount calculated pursuant to this chapter based on service credit accrued prior to the effective date of the disability retirement, using the member's age at the subsequent service retirement, from which age shall be deducted the total time during which the member was retired for service, and indexed final compensation to the effective date of the initial service retirement.

(B) An amount calculated pursuant to this chapter based on the service credit accrued after termination of the disability retirement, using the member's age at the subsequent service retirement, from which age shall be deducted the total time during which the member was retired for service, and final compensation.

1 (C) An amount calculated pursuant to this chapter based on
2 credited service performed subsequent to the most recent
3 reinstatement, using the member's age at the subsequent service
4 retirement, and final compensation.

5 (3) A member who retired pursuant to Section 24211 and who
6 reinstates and performs creditable service, as defined in Section
7 22119.5, after the most recent reinstatement, in an amount equal
8 to two or more years of credited service, shall, upon retirement for
9 service on or after the effective date of this section, receive a
10 service retirement allowance equal to the sum of the following:

11 (A) The greater of (i) the disability allowance the member was
12 receiving immediately prior to termination of that allowance,
13 excluding the children's portion, or (ii) an amount calculated
14 pursuant to this chapter based on service credit accrued prior to the
15 effective date of the disability retirement, using the member's age
16 at the subsequent service retirement, from which age shall be
17 deducted the total time during which the member was retired for
18 service, and final compensation using compensation earnable or
19 projected final compensation or a combination of both.

20 (B) An amount equal to either of the following:

21 (i) For a member who was receiving a benefit pursuant to
22 subdivision (a) of Section 24211, the member's credited service at
23 the time of the retirement pursuant to Section 24211, excluding
24 service credited pursuant to Section 22717 or 22717.5 or Chapter
25 14 (commencing with Section 22800) or Chapter 14.2
26 (commencing with Section 22820).

27 (ii) For a member who was receiving a benefit pursuant to
28 subdivision (b) of Section 24211, the member's projected service,
29 excluding service credited pursuant to Section 22717 or 22717.5
30 or Chapter 14 (commencing with Section 22800) or Chapter 14.2
31 (commencing with Section 22820).

32 (C) An amount calculated pursuant to this chapter based on
33 credited service performed subsequent to the most recent
34 reinstatement, using the member's age at the subsequent service
35 retirement, and final compensation using compensation earnable
36 or projected final compensation or a combination of both.

37 (D) An amount based on any service credited pursuant to
38 Chapter 14 (commencing with Section 22800) or Chapter 14.2
39 (commencing with Section 22820) or, for credited service
40 performed during the most recent reinstatement, Section 22714,

22714.5, 22715, 22717, or 22717.5, using the member's age at the subsequent service retirement, from which age shall be deducted the total time during which the member was retired for service, and final compensation using compensation earnable, or projected final compensation, or a combination of both.

(4) A member who retired pursuant to Section 24212 or 24213 and who reinstates and performs creditable service, as defined in Section 22119.5, after the most recent reinstatement, in an amount equal to two or more years of credited service, shall, upon retirement for service on or after the effective date of this section, receive a service retirement allowance equal to the sum of the following:

(A) An amount calculated pursuant to this chapter based on the member's projected service credit, excluding service credited pursuant to Section 22717, 22717.5, or Chapter 14 (commencing with Section 22800) or Chapter 14.2 (commencing with Section 22820), using the member's age at the subsequent service retirement, from which age shall be deducted the total time during which the member was retired for service, and final compensation using compensation earnable or projected final compensation or a combination of both.

(B) An amount calculated pursuant to this chapter based on credited service performed subsequent to the most recent reinstatement, using the member's age at the subsequent service retirement, and final compensation, using compensation earnable or projected final compensation or a combination of both.

(C) An amount based on any service credited pursuant to Chapter 14 (commencing with Section 22800) or Chapter 14.2 (commencing with Section 22820) or, for credited service performed during the most recent reinstatement, Section 22714, 22714.5, 22715, 22717, or 22717.5, using the member's age at the subsequent service retirement, from which age shall be deducted the total time during which the member was retired for service, and final compensation using compensation earnable, or projected final compensation, or a combination of both.

(b) If the total amount of credited service, other than that accrued pursuant to Sections 22714, 22714.5, 22715, 22717, 22717.5, and 22826, is equal to or greater than the number of years required to be eligible for an increased allowance pursuant to this chapter or Section 22134.5, the amounts identified in this section

1 shall be calculated pursuant to the section authorizing the
2 increased benefit.

3 (c) For members receiving an allowance pursuant to Section
4 24410.5 or 24410.6, the amount payable pursuant to this section
5 shall not be less than the amount payable to the member as of the
6 effective date of reinstatement.

7 (d) The amount payable pursuant to this section shall not be less
8 than the amount that would be payable to the member pursuant to
9 Section 24209.

10 (e) For purposes of determining an allowance increase
11 pursuant to Sections 24415 and 24417, the calendar year of
12 retirement shall be the year of the subsequent retirement if the final
13 compensation used to calculate the allowance pursuant to this
14 section is higher than the final compensation used to calculate the
15 allowance for the prior retirement.

16 (f) The allowance paid pursuant to this section to a member
17 receiving a lump-sum payment pursuant to Section 24221 shall be
18 actuarially reduced to reflect that lump-sum payment.

19 SEC. 8. Section 24211 of the Education Code is amended to
20 read:

21 24211. When a member who has been granted a disability
22 allowance under this part after June 30, 1972, returns to
23 employment subject to coverage under the Defined Benefit
24 Program and performs:

25 (a) Less than three years of creditable service after termination
26 of the disability allowance, the member shall receive a retirement
27 allowance which is the sum of the allowance calculated on service
28 credit accrued after the termination date of the disability
29 allowance, the age of the member on the last day of the month in
30 which the retirement allowance begins to accrue, and final
31 compensation using compensation earnable and projected final
32 compensation, plus the greater of either of the following:

33 (1) A service retirement allowance calculated on service credit
34 accrued as of the effective date of the disability allowance, the age
35 of the member on the last day of the month in which the retirement
36 allowance begins to accrue, and projected final compensation
37 excluding service credited pursuant to Sections 22717 and
38 22717.5 or Chapter 14 (commencing with Section 22800) or
39 Chapter 14.2 (commencing with Section 22820), to the
40 termination date of the disability allowance.



(2) The disability allowance the member was receiving immediately prior to termination of that allowance, excluding children's portions.

(b) Three or more years of creditable service after termination of the disability allowance, the member shall receive a retirement allowance that is the greater of the following:

(1) A service retirement allowance calculated on all actual and projected service excluding service credited pursuant to Sections 22717 and 22717.5 or Chapter 14 (commencing with Section 22800) or Chapter 14.2 (commencing with Section 22820), the age of the member on the last day of the month in which the retirement allowance begins to accrue, and final compensation using compensation earnable, or projected final compensation, or a combination of both.

(2) The disability allowance the member was receiving immediately prior to termination of that allowance, excluding children's portions.

(c) The allowance shall be increased by an amount based on any service credited pursuant to Sections 22714, 22714.5, 22715, 22717, and 22717.5 or Chapter 14 (commencing with Section 22800) or Chapter 14.2 (commencing with Section 22820) and final compensation using compensation earnable, or projected final compensation, or a combination of both.

(d) If the total amount of credited service, other than projected service or service that accrued pursuant to Sections 22714, 22714.5, 22715, 22717, 22717.5, and 22826, is equal to or greater than 30 years, the amounts identified in subdivisions (a) and (b) shall be calculated pursuant to Sections 24203.5 and 24203.6.

SEC. 9. Section 24212 of the Education Code is amended to read:

24212. (a) If a disability allowance granted under this part after June 30, 1972, is terminated for reasons other than those specified in Section 24213 and the member does not return to employment subject to coverage under the Defined Benefit Program, the member's service retirement allowance, when payable, shall be based on projected service, excluding service credited pursuant to Sections 22717 and 22717.5 or Chapter 14 (commencing with Section 22800) or Chapter 14.2 (commencing with Section 22820), projected final compensation, and the age of the member on the last day of the month in which the retirement

1 allowance begins to accrue. The allowance payable under this
2 section, excluding annuities payable from accumulated annuity
3 deposit contributions, shall not be greater than the terminated
4 disability allowance excluding children's portions.

5 (b) The allowance shall be increased by an amount based on
6 any service credited pursuant to Sections 22714, 22714.5, 22715,
7 22717, and 22717.5 or Chapter 14 (commencing with Section
8 22800) or Chapter 14.2 (commencing with Section 22820) and
9 final compensation using compensation earnable, or projected
10 final compensation, or a combination of both.

11 SEC. 10. Section 24213 of the Education Code is amended to
12 read:

13 24213. (a) When a member who has been granted a disability
14 allowance under this part after June 30, 1972, attains normal
15 retirement age, or at a later date when there is no dependent child,
16 the disability allowance shall be terminated and the member shall
17 be eligible for service retirement. The retirement allowance shall
18 be calculated on the projected final compensation and projected
19 service to normal retirement age, excluding service credited
20 pursuant to Section 22717 or Chapter 14 (commencing with
21 Section 22800) or Chapter 14.2 (commencing with Section
22 22820). The allowance payable under this section, excluding
23 annuities payable from accumulated annuity deposit
24 contributions, shall not be greater than the terminated disability
25 allowance. The allowance shall be increased by an amount based
26 on any service credited pursuant to Section 22714, 22714.5,
27 22715, or 22717 or Chapter 14 (commencing with Section 22800)
28 or Chapter 14.2 (commencing with Section 22820) and projected
29 final compensation to normal retirement age.

30 (b) Upon retirement, the member may elect to modify the
31 service retirement allowance payable in accordance with any
32 option provided under this part.

33 SEC. 11. Section 24216 of the Education Code is amended to
34 read:

35 24216. (a) (1) A member retired for service under this part
36 who is appointed as a trustee or administrator by the
37 Superintendent of Public Instruction pursuant to Section 41320.1,
38 or a member retired for service who is assigned by a county
39 superintendent of schools pursuant to Article 2 (commencing with
40 Section 42120) of Chapter 6 of Part 24, shall be exempt from



1 subdivisions (d) and (f) of Section 24214 for a maximum period
2 of two years.

3 (2) The period of exemption shall commence on the date the
4 member retired for service is appointed or assigned and shall end
5 no more than two calendar years from that date, after which the
6 limitation specified in subdivisions (d) and (f) of Section 24214
7 shall apply.

8 (3) An exemption under this subdivision shall be granted by the
9 system providing that the Superintendent of Public Instruction or
10 the county superintendent of schools submits documentation
11 required by the system to substantiate the eligibility of the member
12 retired for service for an exemption under this subdivision.

13 (b) (1) A member retired for service under this part who is
14 employed by an employer to perform creditable service in an
15 emergency situation to fill a vacant administrative position
16 requiring highly specialized skills shall be exempt from the
17 provisions of subdivisions (d) and (f) of Section 24214 for
18 creditable service performed up to one-half of the full-time
19 equivalent for that position, if the vacancy occurred due to
20 circumstances beyond the control of the employer. The limitation
21 specified in subdivisions (d) and (f) of Section 24214 shall apply
22 to creditable service performed beyond the specified exemption.

23 (2) An exemption under this subdivision shall be granted by the
24 system subject to the following conditions:

25 (A) The recruitment process to fill the vacancy on a permanent
26 basis is expected to extend over several months.

27 (B) The employment is reported in a public meeting of the
28 governing body of the employer.

29 (C) The employer submits documentation required by the
30 system to substantiate the eligibility of the member retired for
31 service for an exemption under this subdivision.

32 (c) This section does not apply to any person who has received
33 additional service credit pursuant to Section 22715 or 22716.

34 (d) A person who has received additional service credit
35 pursuant to Section 22714 or 22714.5 shall be ineligible for one
36 year from the effective date of retirement for the exemption
37 provided in this section for service performed in the district from
38 which he or she retired.

39 (e) This section shall become operative on January 1, 2001, and
40 shall remain in effect only until January 1, 2008, and as of that date

1 is repealed, unless a later enacted statute, which is enacted before
2 January 1, 2008, deletes or extends that date.

3 SEC. 12. Section 44929 of the Education Code is amended to
4 read:

5 44929. Whenever the governing board of a school district or
6 a county office of education, by formal action, determines that
7 because of impending curtailment of or changes in the manner of
8 performing services, the best interests of the district or county
9 office of education would be served by encouraging the retirement
10 of certificated employees and that the retirement will result in a net
11 savings to the district or county office of education, an additional
12 two years of service shall be credited under the Defined Benefit
13 Program of the State Teachers' Retirement Plan to a certificated
14 employee pursuant to Section 22714 if all of the conditions set
15 forth in that section exist.

16 SEC. 13. Section 44929.1 is added to the Education Code, to
17 read:

18 44929.1. (a) Subject to the limitation of subdivision (b), an
19 additional four years of service shall be credited under the Defined
20 Benefit Program of the State Teachers' Retirement Plan to a
21 certificated employee pursuant to Section 22714.5 if all of the
22 conditions set forth in that section are satisfied.

23 (b) A member of the Defined Benefit Program of the State
24 Teachers' Retirement Plan who is credited with additional age and
25 service under this section may not be credited with additional
26 service under Section 44929.

27 (c) This section shall become inoperative on May 16, 2007,
28 and, as of January 1, 2008, is repealed, unless a later enacted
29 statute, that becomes operative on or before January 1, 2008,
30 deletes or extends the dates on which it becomes inoperative and
31 is repealed.

32 SEC. 14. Section 87488 of the Education Code is amended to
33 read:

34 87488. Whenever the governing board of a community
35 college district, by formal action, determines that because of
36 impending curtailment of or changes in the manner of performing
37 services, the best interests of the district would be served by
38 encouraging the retirement of academic employees and that the
39 retirement will result in a net savings to the district, an additional
40 two years of service shall be credited under the Defined Benefit

1 Program of the State Teachers' Retirement Plan to an academic
2 employee pursuant to Section 22714 if all of the conditions set
3 forth in that section exist.

4 SEC. 15. Section 87488.1 is added to the Education Code, to
5 read:

6 87488.1. (a) Subject to the limitation of subdivision (b), an
7 additional four years of service shall be credited under the Defined
8 Benefit Program of the State Teachers' Retirement Plan to an
9 academic employee pursuant to Section 22714.5 if all of the
10 conditions set forth in that section are satisfied.

11 (b) A member of the Defined Benefit Program of the State
12 Teachers' Retirement Plan who is credited with additional age and
13 service under this section may not be credited with additional
14 service under Section 87488.

15 (c) This section shall become inoperative on May 16, 2007,
16 and, as of January 1, 2008, is repealed, unless a later enacted
17 statute, that becomes operative on or before January 1, 2008,
18 deletes or extends the dates on which it becomes inoperative and
19 is repealed.

20 SEC. 16. The provisions of this act shall become operative on
21 *January 1, 2004, or on the date that is four months 120 days after*
22 *the effective chaptering date of this act, whichever is later.*

23 ~~SEC. 17. This act is an urgency statute necessary for the~~
24 ~~immediate preservation of the public peace, health, or safety~~
25 ~~within the meaning of Article IV of the Constitution and shall go~~
26 ~~into immediate effect. The facts constituting the necessity are:~~

27 ~~In order to realize the economies resulting from the early~~
28 ~~retirement of certificated and academic employees of public~~
29 ~~schools and community colleges and to thereby ameliorate the~~
30 ~~budget shortfall in the 2003-04 fiscal year, it is necessary that this~~
31 ~~act take effect immediately.~~